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Industrial Relations at Cummins India Limited- A Case Study

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Abstract

An industrial relations system consists of the whole gamut of relationships between employees and employees and between employees and employers which are managed by means of conflict and cooperation. It includes matter pertaining to employment conditions like pay, hours of works, leave with wages, health, and safety disciplinary actions, lay-off, dismissals retirements etc., laws relating to such activities, regulations governing labour welfare, social security, industrial relations, issues concerning with workers participation in management, collective bargaining, etc. The present research is a case study of the industrial relations scenario at Cummins India Limited. 50 respondents from the organization had been picked on the basis of random convenience sampling. It was found that industrial relations have been cordial, harmonious and collaborative since 2010. Communication and meeting with union representatives and workers is there on regular basis. The management representative, store managers regularly meet on weekly and monthly basis. Industrial relations manager conducts weekly meetings and resolves grievances immediately. In addition to this the senior leadership meets on monthly basis with union. CEO of the company also communicates the goals of the business and situations of the business to the employees on quarterly basis. The voices of the employees are captured during these meetings and the issues/grievances are resolved as per feasibility. Line managers and shop floor managers are regularly interacting with IR Department for day to day issues of production associates and communicating the issues to IR Department for resolving.

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1. Introduction

An industrial relations system consists of the whole gamut of relationships between employees and employees and between employees and employers which are managed by means of conflict and cooperation. It includes matter pertaining to employment conditions like pay, hours of works, leave with wages, health, and safety disciplinary actions, lay-off, dismissals retirements etc., laws relating to such activities, regulations governing labour welfare, social security, industrial relations, issues concerning with workers participation in management, collective bargaining, etc.

2. Objectives of the Study

- a) To study the procedure of wage settlement process at Cummins India Limited (CIL)
- b) To study the salient features of wage settlement agreement
- c) To assess satisfaction level of production associates with regards to present welfare facilities provided by CIL
- d) To recommend suggestions for improvement in welfare facilities provided by CIL

3. Research Methodology

A well structured close ended questionnaire was used for data collection from the respondents. The respondents in respect production associates of the organization had been picked on the basis of random convenience sampling. The sample size of this study was 50.

To get an understanding of the wage settlement process at a glance a wage settlement process flowchart was prepared by the researcher which is as follows:-

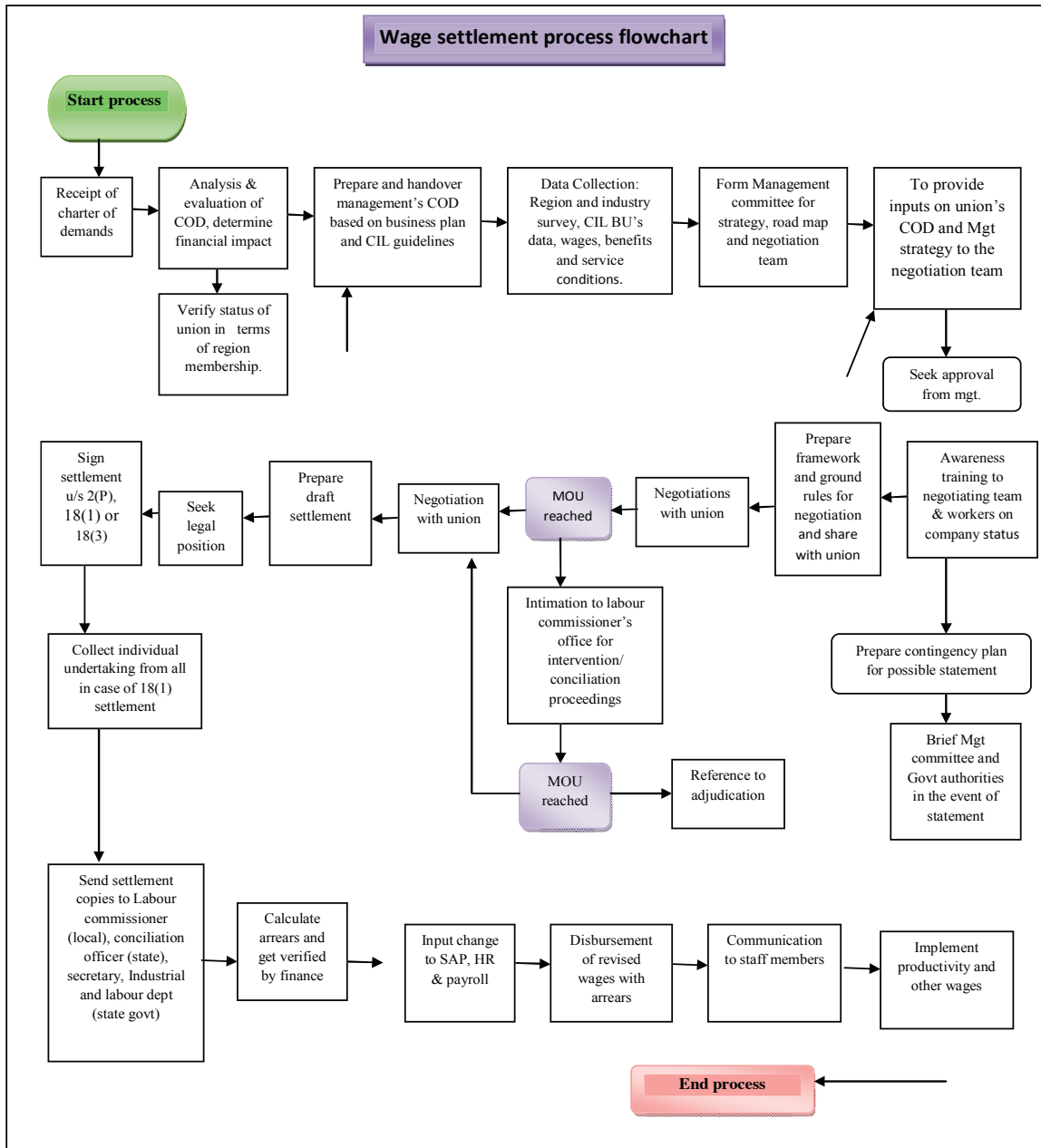


Fig.1. Wage Settlement Process Flowchart

Analysis of Data: The data collected has been presented in the form of tables and figures. Microsoft Office (EXCEL) was used to draw graphs, tables which were used to show the analysis of the data collected.

1. Satisfaction With The Working Conditions

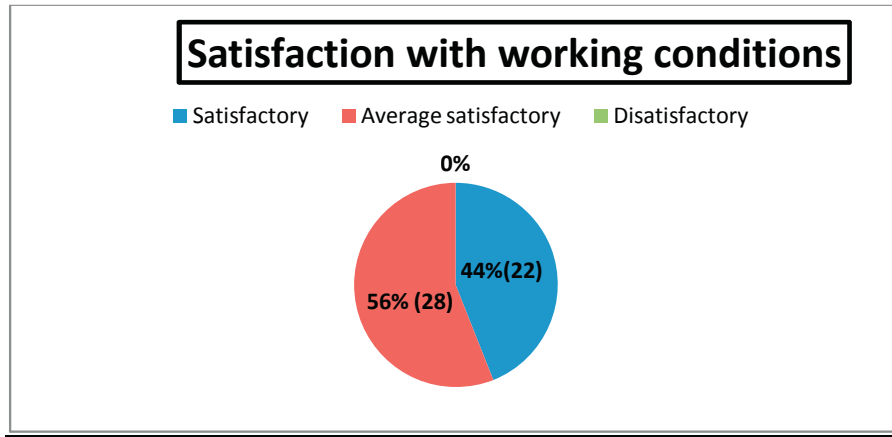


Figure 2: Satisfaction with working conditions

Discussion: From figure 2 it is clear that 56% of the respondents said they were averagely satisfied with the working conditions. So there is scope for improvement in the working conditions for the production associates. The safety measures can be improved in certain areas so the production associates feel safe in the working conditions.

2. Satisfaction With Canteen Facility Provided

Table 1: Satisfaction with canteen facility provided

S. No	Satisfaction level	Number	Percentage
1	Satisfactory	40	80
2	Average satisfactory	10	20
3	Dissatisfactory	0	0

Discussion: It is clear from Table 1 that most of the respondents (40) were satisfied with the canteen facility provided while there were a few (10) who were averagely satisfied. However, it was found out that the canteen charges are higher than others in the industry and also some infrastructure work is required like painting and change of wash basins.

3. Satisfaction With Wage Increment

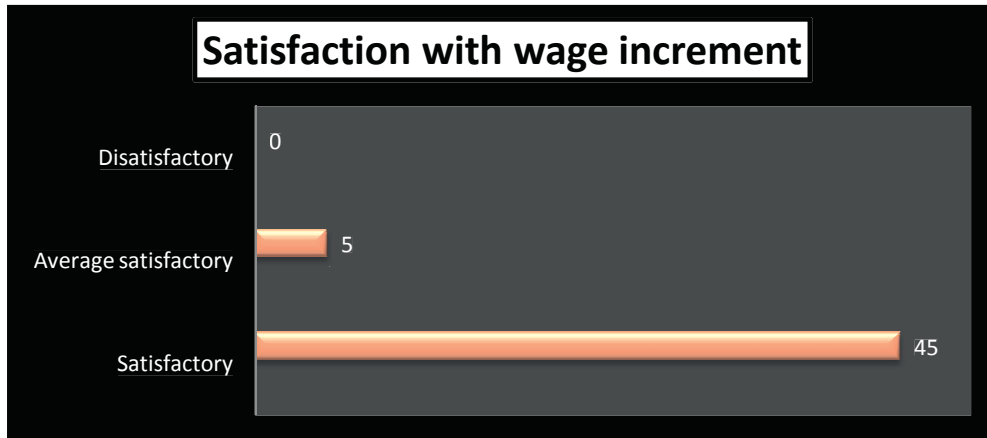


Figure 3: Satisfaction with wage increment

Discussion: From figure 3, it is clear that 45 respondents were satisfied with the wage increment while only handfuls were not. The current wage increment is enough to maintain a good standard of living for the production associates.

4. Satisfaction With Allowances

Table 2: Satisfaction with allowances

S. No	Satisfaction level	Number of Responses	Percentage
1	Satisfactory	40	80
2	Average satisfactory	10	20
3	Dissatisfactory	0	0

Discussion: It is clear from Table 2 that a majority of 40 out of 50 respondents were satisfied with the allowances while 10 were averagely satisfied. From the interview conducted it can be concluded to increase medical allowance as prices of medicine and doctor's services have increased.

5. Satisfaction With Retirement Benefits

Table 3: Satisfaction with retirement benefits

S. No	Satisfaction level	Number of Responses	Percentage
1	Satisfactory	35	70
2	Average satisfactory	15	30
3	Dissatisfactory	0	0

Discussion: From Table 3 it is clear that a majority (35/50) were satisfied with the retirement benefits. Of the averagely satisfied respondents some were elderly or the only earning member of the family. There is a little scope to increase the retirement benefits.

6. Satisfaction With Sufficient Number Of Toilets

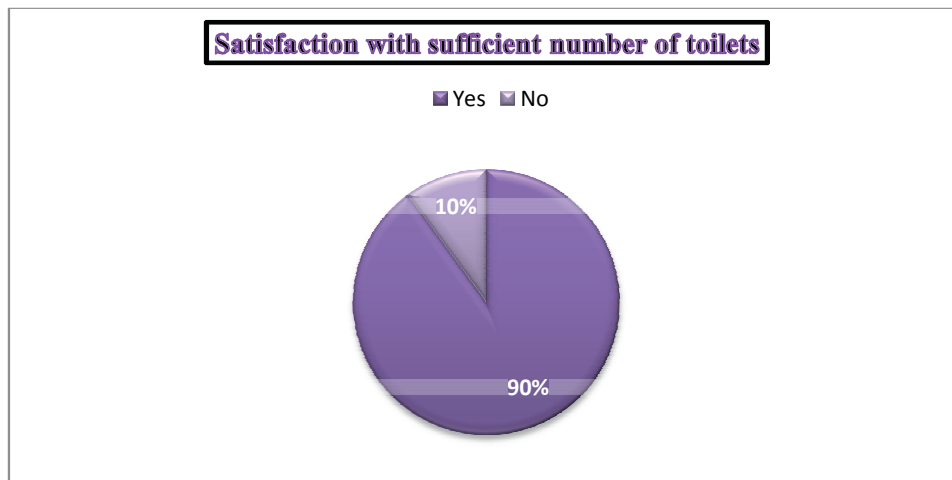


Figure 4: Satisfaction with sufficient number of toilets

Discussion: It is clear from Figure 4 that 90% (45/50) majority were satisfied with the number of toilets while 10% were not. It was observed that the reason for their dissatisfaction was that some of the departments had to go to other departments as theirs did not have a toilet.

7. Satisfaction With Creche Facility

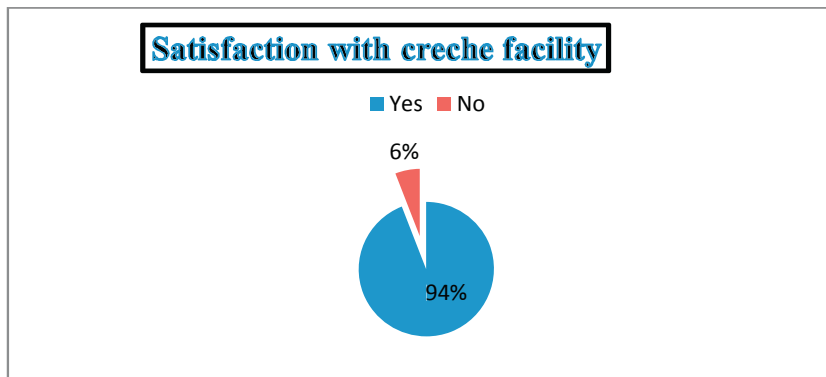


Figure 5: Satisfaction with crèche facility

Discussion: From figure 5 it is clear that a majority of 94% (47/50) were satisfied with the crèche facility. A new crèche has been made at CIL with garden and all amenities required for the children. Only the reason for dissatisfaction for some was that if their child happened to fall ill he/she wasn't allowed in the crèche during that period as the other children might catch it so the parent of that ill child found it difficult to manage the child without crèche.

8. Employee Welfare Activities Improves Performance

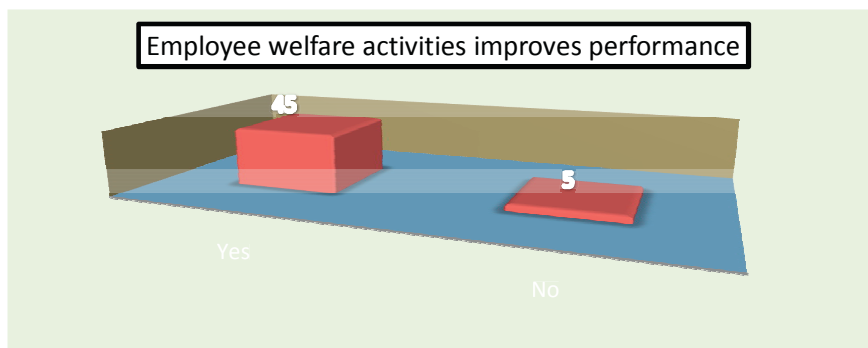


Figure 6: Employee welfare activities improves performance

Discussion: It is clear from figure 6 that majority (45/50) felt that employee welfare facilities improve their performance. So it can be concluded that as far as the production associates are happy with the welfare facilities provided their performance will be good.

9. Satisfaction With Grievance Handling Procedure

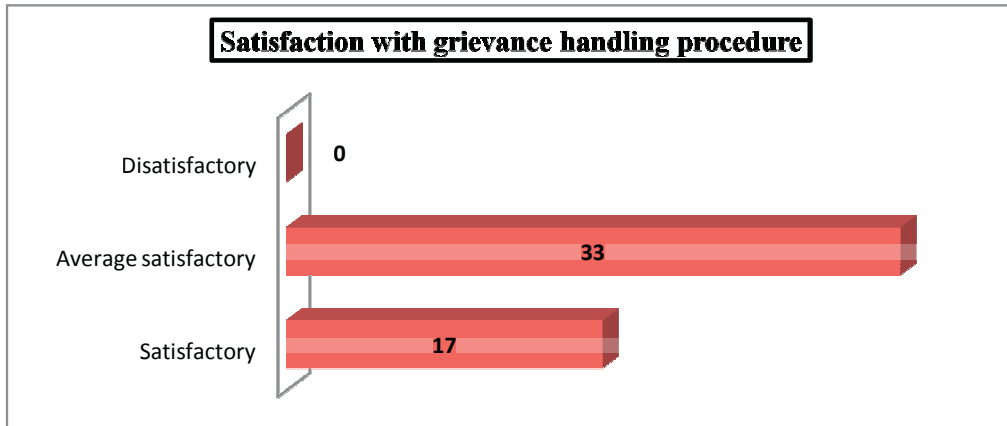


Figure 7: Satisfaction with grievance handling procedure

Discussion: It is clear from figure 7 that majority (33/50) respondents were averagely satisfied with the grievance handling procedure. Production associates said that the grievances were solved but not immediately. Timely grievance handling is required.

10. Overall Satisfaction With Employee Welfare Amenities

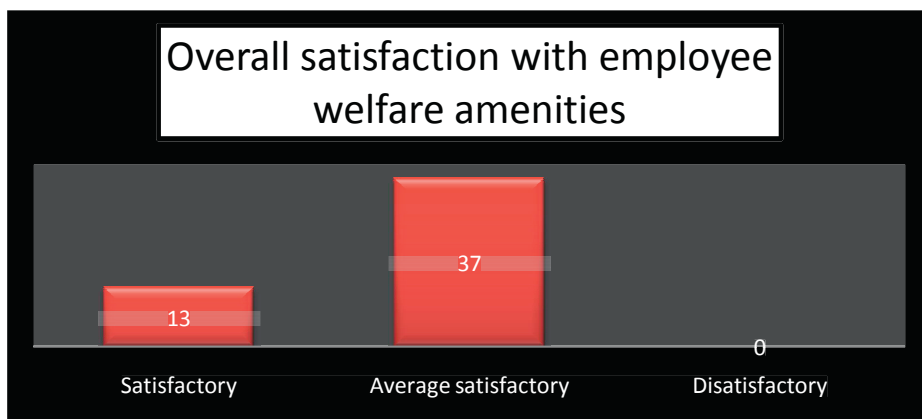


Figure 8: Overall satisfaction with employee welfare activities

Discussion: From figure 8 it is clear that majority (37/50) were averagely satisfied with the welfare facilities while 13 are fully satisfied. So there is scope for improvement in the welfare facilities provided like improvement in the

retirement benefits, medical allowance, canteen facility, etc.

4. Conclusions

Cummins plant had a strike of 65 days in September 2009. After that industrial relations between management and union were not harmonious and cooperative but they had changed after September 2010. After the management and union signed wage agreement industrial relations have been cordial, harmonious and collaborative since 2010. Communication and meeting with union representatives and workers is there on regular basis. The management representative, store managers regularly meet on weekly and monthly basis. Industrial relations manager conducts weekly meetings and resolves grievances immediately. In addition to this the senior leadership meets on monthly basis with union. CEO of the company also communicates the goals of the business and situations of the business to the employees on quarterly basis. The voices of the employees are captured during these meetings and the issues/grievances are resolved as per feasibility. Line managers and shop floor managers are regularly interacting with IR Department for day to day issues of production associates and communicating the issues to IR Department for resolving. In addition to that any communication related to training, safety and any audits are communicated through circulars or Lotus notes. Company believes in fair and firm communication with transparency.

5. Recommendations

Based on the findings of the study, recommendations by the researcher are as follows:

- a) Internal management should be strong so that it can create more healthy working conditions in the organization.
- b) The number of toilets must be increased.
- c) Company should start a bus service for employees as the employee strength is large.
- d) Canteen charges are higher than others in the industry and also some infrastructure work is required like painting and change of wash taps.
- e) Medical allowance must be increased.
- f) Some areas safety measures need to be improved.
- g) Issues should be solved immediately by the IR department.

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